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ABSTRACT

This brief was submitted to the Standing Committee on Social Development of the Ontario Legislature in connection with Bill 42, which is intended to limit university deficits. The following concerns are examined: current university funding levels in relation to enrollment and student demand, research responsibilities, tuition fee levels, and capital requirements for teaching and research equipment and for renovations and alterations. The recent history of the funding of universities in Ontario is reviewed, and attention is directed to a fundamental issue of public policy: how to bring the financial resources provided the universities into accord with the educational mandate they have been given. Highlights include the following: Ontario university enrollment is at an all-time high, and an increased participation rate may keep it high through the 1980s; Ontario ranks last among the provinces in its operating grants per student; and Ontario university tuition fees, set by the government, are among the highest in Canada but represent only about 15 percent of university revenues. For each of the findings, policy issues are addressed. (SW)

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COUNCIL OF ONTARIO UNIVERSITIES

UNIVERSITIES, PUBLIC PRIORITIES, AND THE FUTURE OF ONTARIO

A Brief to the Standing Committee on Social Development of the Legislature of Ontario

September, 1983

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Council of Ontario Universities

Universities, Public Priorities, and the Future of Ontario

A Brief to the Standing Committee on Social Development of the Legislature of Ontario September, 1983

Summary

The Council of Ontario Universities submits this brief to the Standing Committee on Social Development of the Legislature of Ontario in connection with Bill 42, which is intended to limit university deficits. This Bill can only be understood in the wider context of university funding.

The brief reviews the recent history of the funding of universities in Ontario and calls attention to a fundamental issue of public policy: how to bring the financial resources provided the universities into accord with the educational mandate they have been given. Despite the exposé of this problem presented in the 1981 Report of the Government's Committee on the Future Role of Universities in Ontario — a report to which the Ontario government has yet to respond — the policy vacuum continues. The human and physical resources of the universities deteriorate, as demands for university places and for university research steadily increase on the one hand, while on the other university revenues, in constant dollars, continue to fall.

There are many indicators of the gap between currently available financial resources and what the universities require to fulfil their traditional mandate. The effects of this underfunding are everywhere apparent on Ontario university campuses.

The brief examines current university funding levels in relation to enrolment and student demand, research responsibilities, tuition fee levels, and capital requirements for teaching and research equipment and for renovations and alterations. The following facts and basic questions on public policy concerning universities emerge:

University enrolment in Ontario is at an all-time high, and an increased participation rate, already among the highest in the world, may keep it high through the 80's. Should a university place continue to be made available to every qualified applicant?

Ontario ranks last among the provinces in its operating grants per student, 25% or $1500 below the average for the rest of Canada. What is the appropriate financial contribution by the Province toward an education of high quality for each student?

Ontario university tuition fees, set by the government, are among the highest in Canada but represent only about 15% of university revenues. What portion of the cost of a university education should the individual student bear through fees?

Both basic and applied research and the provision of state-of-the-art knowledge and skills for those who will enter the labour force require up-to-date scientific and pedagogic equipment. How can the $3 billion physical plant be maintained and equipment be replaced, when capital grants have all but dried up in the last decade?

The future role of Ontario in Canada and abroad will be dictated by our degree of commitment to basic and applied research. What level of financial support to universities will enable them to achieve excellence in both teaching and research?

Public surveys indicate that the people of Ontario desire the high quality of university education to be preserved. Yet universities have lost the place they once occupied in provincial spending priorities. Now resources must be brought into balance with needs. Will the university enterprise in Ontario be scaled down, research opportunities rejected, and some applicants denied entrance; or will more adequate funding be provided by the government?

The universities of Ontario alone cannot answer these question. The Ontario government must. Healthy and vigorous universities are of vital importance for the future of this province and this country. At stake in this investment is the future of Ontario as an advanced technological and humane society.

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Introduction

Strong and vital universities are essential instruments for the development and improvement of our society. They have, as part of their task, the responsibility of developing human resources to their fullest capacity. They have the major responsibility for developing the professional manpower needed for economic growth. They are the major source of basic research in the country and carry out a significant amount of the applied research. It is no overstatement to say that in any society the health of business and industry, and indeed of the society itself, is related very directly to the quality of the universities.

It must be emphasized, however, that the ability of the universities to achieve their objectives depends on the resources that are available to them. Adequate resources are a necessary, though not a sufficient, condition for achieving these ends. If resources are adequate, much can be accomplished; if resources are meagre, the scope of activity must be reduced, or quality suffers. Society is poorly served if the quality of what the universities do is below acceptable standards. Inferior programs of instruction and low-quality research, which are the result of inadequate resources, are no contribution to Ontario or to Canada.

These lines from the Introduction of the 1981 *Report of the Committee on the Future Role of Universities in Ontario* provide an apt preface to this brief on behalf of the Council of Ontario Universities to the Standing Committee on Social Development. This is so both because these words present an eloquent and objective statement of the importance of universities in this province and because they served to introduce a Report that dealt with fundamental policy issues that still today remain unresolved.

Your Committee is engaged in holding public hearings on Bill 42, An Act to Amend the Colleges and Universities Act, which will establish legislation to control any financial deficits incurred by Ontario universities. The Council of Ontario Universities welcomes this opportunity to discuss not only the specifics of the legislation but also the background out of which it has emerged.

Although the Council of Ontario Universities has not opposed Bill 42 *per se*, it has raised a number of concerns over details in the draft legislation. We are pleased to report that, as a result of discussions with the Ministry during the past several months, changes in the Bill itself and in the regulations pertaining to it have much reduced these concerns. The single remaining issue involves the powers of the supervisor. In our opinion, these powers should be explicitly limited to financial matters as recommended by the Ontario Council on University Affairs (OCUA). An Appendix to this brief contains a proposed amendment to deal with this matter.

The Bill sets out a procedure which the government might follow in dealing with a university in acute financial distress. What the Bill does *not* do is address the issue of prevention and how the government might assist a university in avoiding severe financial problems. The fundamental issue is how to bring the financial resources provided universities into line with the educational mandate they have been given. The gap between available financial resources and those the universities require to fulfil the responsibilities they have been given by government and the public has grown unmanageably great. Either the gap should be closed by the provision of more resources, or the mandate should be revised and brought into accord with available resources. In these circumstances, implementing the provisions of Bill 42 is akin to improving the fire alarm system in a blazing building.

Although this brief begins by describing the present difficulties of the universities and their roots in the recent past, our real interest is in the future. If we are to secure the future of Ontario and of Canada, the universities of this province must play a central role. If they are to play their proper part, they require a stable public policy framework within which they can plan and operate, sufficient financial and personnel resources to accomplish their objectives, and adequate flexibility to adjust their resources to meet changing needs. At present, no such policy framework exists. There is only an inadequate and unstable financial resource base, and an increasing number of external constraints, of which this legislation is but one example.

If underfunding continues, the effect of this legislation, should it pass, will be to reduce the educational effectiveness of some universities. For no university can survive an extended period of underfunding simply by reducing services and cutting staff in order to bring expenditures into balance with revenue. There comes a point at which it simply ceases to be a university. Even before that point is reached, successive elimination of programmes and reductions in staff produce an institution that is less and less attractive to students thereby accelerating the downward spiral.

A protracted period of inadequate funding has already done considerable damage to the vitality of Ontario universities. It is now jeopardizing their ability to adapt to changing needs. If further damage is to be avoided, the universities and the government must soon come together to produce an effective agreement on what the responsibilities of the universities are to be in the remainder of the 80's and beyond, on the level of financial resources required to enable them effectively to meet these responsibilities, and on the means of obtaining these resources. The issues are not new; the need to resolve them grows more urgent with each passing year.

Although the financial situation of Ontario universities may appear to have improved over this past year, it remains essentially the same: extremely precarious. They are still being expected to accomplish more with less, and when these favourable short-term conditions no longer apply, their precarious position will quickly become apparent. Competent management by university boards and administrations does not by itself ensure successful maintenance of a university system of high quality.

The level of public funding provided Ontario universities is now seriously threatening the quality of both instruction and research. The government's advisory agency, the Ontario Council on University Affairs, shares this view. So too did the Committee on the Future Role of the Universities. Two years ago that Committee concluded that the situation had reached the point at which in order to reconcile the publicly endorsed objectives for Ontario universities with the level of public funding being provided, it was necessary either to increase the funding substantially or to modify those objectives and scale down the system. The Committee forcefully rejected the option of attempting to maintain the present objectives with inadequate levels of funding, terming this approach "muddling through", and judging that it would ensure the demise of quality universities in this province.

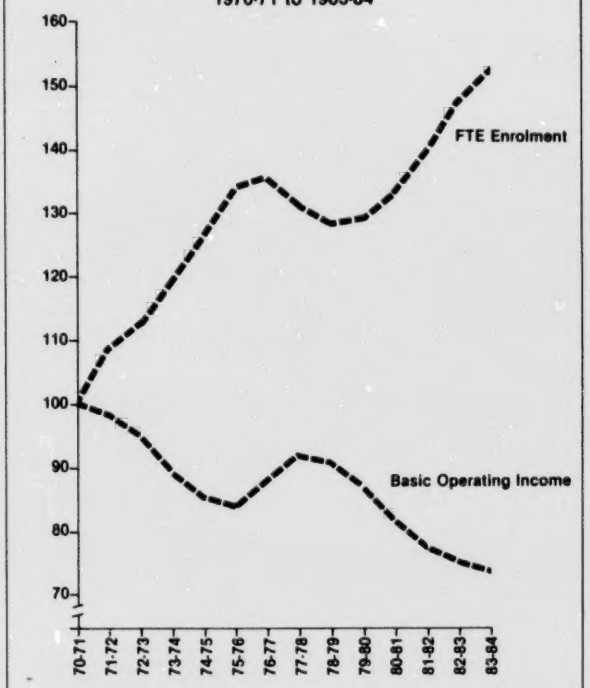
Yet what we have today is muddling through. Although the government has not yet formally responded to the Report, its actions have effectively provided a response of sorts. The government continues to hold the same objectives for the universities. (Certainly there has been no announcement of any revision of these objectives.) Yet the levels of public support have remained significantly below those recommended by OCUA and contained in the Report of the Committee. Future funding prospects are uncertain and policy directions are very unclear. In these circumstances, effective planning becomes impossible and crisis management is substituted for it.

The basic facts are clear. Universities no longer enjoy the priority they once had in government spending.

- Since 1970-71 full-time equivalent enrolment has increased by 32%, and income per student has fallen in constant dollars by 26% (Figure 1). Since 1979-80 the comparable figures are + ~~15%~~ 18% and - ~~18%~~ 15%.
- Ontario currently spends much less on university education per student than any other province, about 25% or $1,500 less than the average for the rest of Canada.
- The decline in university income per student since 1970-71, more than 25%, contrasts with a growth of more than one-third in the amount of expenditure per elementary and secondary school pupil over the same period (Figure 2).

Figure 1

INDICES OF BASIC OPERATING INCOME AND FTE ENROLMENT 1970-71 to 1983-84



SOURCES: FTE enrolment 1970-71 to 1981-82, *Ontario Universities Statistical Compendium*, COU, June, 1983, Table A2-4.
Basic operating income (grants plus tuition fees) 1970-71 to 1981-82, *A Financial Analysis of the University System - 1982*, OCUA, December, 1982, Table 5.
1982-83 and 1983-4 data estimated by COU.

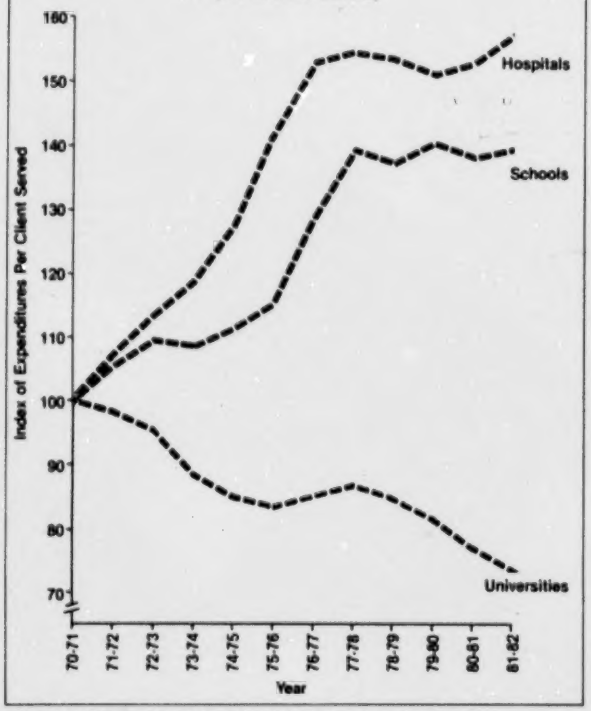
- In slightly over a decade the share of the Ontario budget devoted to universities has declined by 23%, from 6.6% in 1972-73 to 5.1% in 1983-84, a loss of $326 million in current dollars.

The negative effects of the deteriorating financial situation are everywhere to be seen on university campuses across the province. Student/faculty ratios have increased by 20% since 1970-71. There are more large classes, some of them very large, particularly in the lower division courses. There are fewer teaching assistants and laboratory technicians, fewer library support staff and student counsellors. Library acquisition, equipment and supplies budgets have been drastically reduced. Laboratory and other equipment is becoming obsolete and opportunities for students to obtain 'hands on' experience have been reduced. Research proposals have had to be curtailed and research opportunities turned down through lack of resources. The fabric of the physical plant has been declining, as normal expenditures on maintenance and renovation have had to be foregone; pressing needs for plant expansion have had to be set aside. Most significantly, faculty complements have been largely frozen despite increasing enrolment and expanding research needs. Appointment of new, young academics in many fields has virtually ceased.

Figure 2

INDICES OF EXPENDITURE PER CLIENT SERVED IN ONTARIO 1970-71 to 1981-82

(In constant dollars)



SOURCE: *Brief to the Ontario Council on University Affairs on Operating Grants Requirements for 1984-85*, COU, 1983

Enrolment

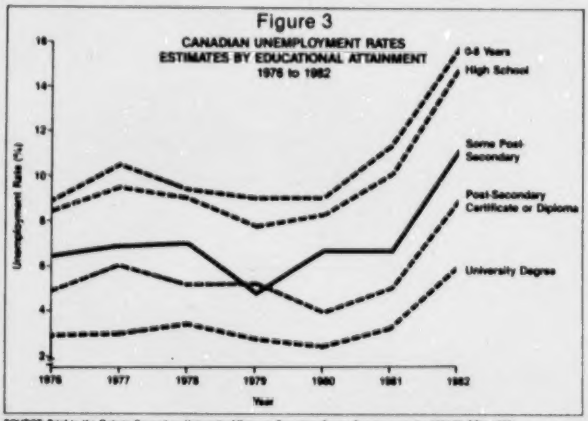
Since the early 1960's the Government of Ontario has been committed to a policy on accessibility to university which states that a place will be provided in some programme in some Ontario university for every qualified Ontario student who wishes to pursue a university education in this province. Our ability to maintain this policy is now seriously compromised. Most universities have some limited enrolment programmes in which the admissions requirements are substantially above the minimum; certain universities have many such programmes. The number of limited enrolment programmes is increasing. This year, for the first time, there is a prospect that some qualified Ontario secondary school graduates will not gain a place in an Ontario university because of enrolment limitations.

Since 1960-61 full-time enrolment has risen from 36,000 to almost 176,000, an all-time high. The participation rate in the 18-24 age group, from which traditionally the bulk of full-time students has been drawn, is 2 1/2 times what it was in 1960-61. The percentage of Ontario secondary school graduates who go directly on to university in this province in 1982-83 reached 66.8%, also an all-time high. During this same period enrolment of persons 25 years of age and over has continued to increase.

Ontario needs a highly educated population and the continuing interest of our people in university education is an encouraging sign of faith in the future. Statistics on employment continue to show that, even in weak economy, the more education a person has the greater are the opportunities for employment. Those with a university education enjoy a higher participation in the labour force and a higher employment rate than any other group (Figure 3).

Figure 3

CANADIAN UNEMPLOYMENT RATES ESTIMATES BY EDUCATIONAL ATTAINMENT 1976 to 1982



SOURCE: *Brief to the Ontario Council on University Affairs on Operating Grants Requirements for 1984-85*, COU, 1983

Despite the enormous growth in university enrolment over the past two decades, access to university education remains far from equal across social and economic groups in the province. Genuine accessibility for all of these groups, including Franco-Ontarians, native peoples, residents of Northern Ontario, those who live at a distance from a university, the handicapped and others, remains one of the challenges to our society that is still to be met.

It is not sufficient, however, simply to ensure access to university education. If the students and the province are to benefit, it must be access to education of good quality. If the universities are to provide this, they must have adequate resources.

Demographic forecasts indicate a 17% decline in Ontario's population aged 18 to 24 between 1983 and 1996, and this suggests an imminent decline in university enrolment. But due to the changes in the participation rate, the increasing proportion of university students drawn from the population aged 25 and over and the sustained growth of part-time and continuing studies, this decline is far from certain. In addition to these considerations, Ontario universities over the remainder of the 80's must accommodate an increased cohort of secondary school graduates, as a result of the reform of secondary education currently underway following the publication of the report on *The Renewal of Secondary Education in Ontario* (ROSE Report). This could amount to some 25,000

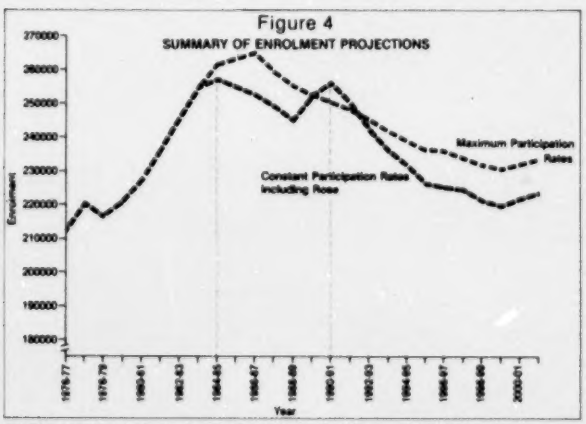
additional students, most of whom would likely enter over a four-year period. Such an addition, amounting to some 6,000 students per year, represents a number larger than the entire first year class in every Ontario university except the University of Toronto.

The COU Committee on Enrolment Statistics and Projections has recently completed a report on *Participation Rates and Future Enrolment in Ontario Universities* in which it lays out a number of enrolment projection scenarios. In its "base case", university enrolment, on a head count basis, is seen as peaking in 1984-85 and then declining in relatively smooth fashion by 10% from the 1982-83 level to a trough in 1999-2000. In an alternative but still plausible scenario, however, the decline is projected at only 5.6%, with enrolment remaining above present levels almost to the end of the decade before entering a decline (Figure 4.) Both of these projections do not take into account the ROSE effect.

The Committee's conclusions warrant careful consideration:

> The trend towards earlier completion of the secondary school academic programme will probably increase the numbers of applicants during a period when demographically-induced declines are expected.
>
> Labour market trends also point to increased demand for education in general and for specialized technological and scientific education in particular. There will be a need for retraining of workers displaced by changes in the workplace, and for education to help people adjust to these changes. At the same time, improvements in the level of education of the general population should ultimately lead to more demand for advanced education. In other words, pure demand will probable increase. Whether university participation rates increase depends on the available supply of appropriate places, which is in turn determined by government policies regarding financing and institutional capacity to adapt.

Figure 4



SOURCE: Brief to the Ontario Council on University Affairs on Operating Grants Requirements, COU, 1983

Given the hard evidence of continuing strong pressures on admissions, given these enrolment projections, and given the universities' growing difficulties in meeting the demand for places with the financial resources available to them, it is time to re-examine the policy on accessibility. The options are to reaffirm the policy and make the additional financial commitment to enable the universities to implement it, or to modify it because of resource limitations. A sound decision in this matter must take into account the value, both to the individual and, perhaps even more importantly, to society, of a major investment in university education and research of high quality.

Research

In addition to their commitment to instruction and at least as important is the universities' commitment to research, both basic and applied. The purpose of basic research is the extension of man's knowledge of the natural world and of human history and culture. Besides basic research, however, contemporary universities have major involvement in applied research across a broad spectrum of disciplines and specialities. In our society, there is a pressing need for an increased commitment to research, one that can only be met effectively if the universities are involved. The ability of the universities to play an effective research role depends on a variety of factors: the necessary cadre of qualified researchers - academics and support staff - with sufficient freedom from other obligations to devote time to research, and adequate financial resources to procure and maintain the necessary equipment and supplies.

Over the past decade, as Ontario universities expanded and matured, there has been a gradual increase in research activity. But now, precisely at a time in Canada's development when greater emphasis should be placed on research, the ability of the universities to respond is hampered as a result of lack of funds. In addition to their actual research output, universities provide the training for future generations of researchers. The graduate programmes of Ontario universities are a major source of supply for both the next generation of Canadian researchers and the next generation of university faculty. The restricted ability to maintain graduate programmes of high quality and to initiate new ones when needed seriously prejudices this country's future research capability. As the 1983 Ontario Budget Paper *R & D and Economic Development in Ontario* clearly recognizes:

> An adequate supply of qualified researchers, with graduate level training in the natural or applied sciences is an essential pre-condition for performing R & D...
>
> The highly-qualified manpower required for the performance of R & D is usually drawn from the graduates of university doctoral and masters degree

programs. Universities also play an important role by maintaining a base level of expertise in fields that could become important in the future.

In addition to training highly-qualified manpower, universities influence industrial R & D through the conduct of basic research and the performance of contract research (p. 13).

For a number of years now, various agencies and groups have been expressing grave concern over the low level of expenditure in Canada on R & D. According to the Ministry of State for Science and Technology - Canada, meeting the 1985 target for national expenditure on R & D of 1.55% of GNP would require an average annual rate of increased expenditure on R & D of 20%, with the annual increases by industry of 27%, by the federal government of 17%, by the provincial governments of 19%, and by the universities of 11% *(The Government of Canada's Investment in Science,* MOSST, 1982, p. 8).

Ontario universities have been sharing in the slow expansion of Canada's research activity, though with inadequate financial foundations. OCUA has expressed its concerns about inadequate support for research on a number of occasions, most recently in its *Financial Analysis of the Ontario University System - 1982,* published this past December. In that Report, OCUA repeats its judgment that "the level of operating grants provided Ontario universities in recent years has not allowed them to maintain their research base, particularly with respect to equipment and libraries" (p. 23). In the past two years the Government of Ontario has provided grants to universities through BILD ($12m in 1983-84) for the purchase of research equipment in science and engineering, and to support research employment contracts with industry; but this has only partially offset the acute shortage in operating revenues.

Tuition Fees

Any examination of university financing should include tuition fees. Tuition fees in Ontario universities are among the highest in Canada, yet they account for just over 15% of the institutions' annual operating revenues. Moreover, fee levels are controlled by government. Although the universities retain the legal right to set their own fees, and have been given discretion to levy fees up to 10% above the formula fee, in practice tuition fees are set by the government through the mechanism of the formula fee component of the annual operating grants. In the present reduced financial circumstances of the universities, a straightforward and compelling pragmatic case can be made for increasing tuition fees: operating grant revenue is falling and may continue to fall; student demand for university entrance is high and seems likely to remain high. Yet the matter is not that simple. Are tuition fees to be set as a matter of social policy or as a function of the market?

University administrators are divided on this issue. They are also divided on whether the current proportion of university revenue derived from tuition fees should be increased. The majority, however, would favour an increase in tuition fee levels provided certain conditions, upon which all are agreed, were met. If tuition fees are increased, there must be a corresponding improvement in the Ontario Student Assistance Program (OSAP) to enable those students who qualify for assistance to cover their increased costs by this means. Also, fee increases should be announced in sufficient time in advance of their implementation and staged so that there is no sharp increase from one year to the next.

If operating grants are not increased, higher tuition fees likely offer the only practical alternative for increasing university operating revenues by any significant amount. Other means of increasing revenues, however, should also continue to be sought. Although income from grants and fees will likely remain the major sources of university revenues, additional income from other sources can provide an important factor in fostering excellence. The universities and government should undertake to explore together prospects for modifying federal and provincial tax legislation in order to provide greater tax incentives for personal and corporate contributions to universities, such as that available for contributing to political parties. COU urges the Standing Committee to endorse this proposal to amend current tax legislation and to take the necessary measures to see that it is implemented.

Formula Revision

At the present time the Ministry, OCUA and the universities are engaged in a review of the operating grants formula. Initiated about a year ago, this review is the result of the general concern over the defects of the current formula in the circumstances of constrained funding. When, as has been the case for almost a decade now, the amount of global funding is fixed, or at least determined without any clear reference to enrolment increases, successive system enrolment increases result in a reduction in the value of the basic income unit (BIU). In this situation, shifting enrolment patterns among the institutions merely modify the distribution of operating grants monies. The Minister has stated there is a general consensus that academic quality must be preserved and enhanced, and that vigorous enrolment competition among institutions will have adverse effects on the ability of the system to sustain academic quality, but has made no decision yet on how the formula is to be modified.

What should be clearly understood, however, is that the present review of the formula is focussed exclusively on the formula as a *distributive* mechanism, a means by which operating funds are dispersed among the universities. This does not address the question of whether the amount of these funds is adequate. Improvements in the means of distribution of inadequate funds will not solve the problems created by underfunding. Formula revision will not provide a "third way" of maintaining quality in the system, an alternative between providing increased financial support for a system of the current size or scaling it down.

Capital Requirements

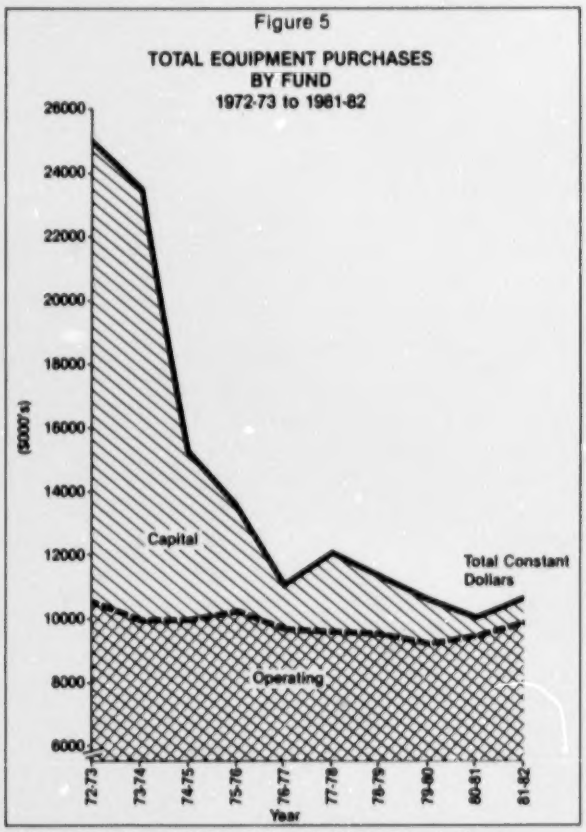
If universities are to serve as research centres operating on the frontiers of knowledge, and as institutions training a coming generation of researchers and professionals able to work in a complex technological environment, they require the best and most up-to-date facilities and equipment.

Equipment

Given the rapid development in technology, scientific equipment rapidly becomes obsolete and requires replacement. Moreover, universities require equipment for use in other programmes, such as fine art. Yet, against this trend, over the last decade the value of equipment purchased by Ontario universitites has steadily declined, from $25.0 millions in 1972-73 to $10.6 in 1981-82 (in 1972-73 constant dollars) (Figure 5). Capital funds, which once provided for almost 60% of equipment purchases, have now virtually disappeared. In ten years the ability of Ontario universities to replace equipment has declined more than 50%. This savaging of equipment budgets cannot be allowed to continue. The special supplementary grant provided by the Government in 1983-84 for the purchase of equipment and books is certainly welcome, but it represents a once-only, short-term, limited response to a major continuing problem. A more permanent response is urgently required.

The current total value of university equipment and furniture is approximately $1 billion. Given an average economic life of 12 years, an amount equal to 8.5% of replacement value, or $83 million, should be spent annually if equipment stocks are to be kept current. Present levels of spending on equipment replacement are estimated at $42 million, leaving a residual $41 million still unfunded. This estimate does not include equipment costs for new programmes. Nor does it include new, more sophisticated and more costly equipment.

Figure 5



SOURCE: *Brief to the Ontario Council on University Affairs on Operating Grants Requirements for 1984-85*, COU, 1983

Renovations and Alterations

In 1972 the Ontario government introduced a "capital freeze" which effectively brought to a halt the investment of public funds in the physical infrastructure of Ontario universities. During the past decade, in which the total amount of space available to serve students has increased hardly at all, full-time enrolment in Ontario universities has increased by almost 30%. The average age of Ontario universities' physical plant is now approaching twenty years. The total value of the plant assets of Ontario universities is $3 billion. Business standards recommend that the amount expended annually on renovations should equal at least 1% of the total plant evaluation. For Ontario universities this would mean $30 million in 1983 dollars. Alterations to accommodate changes in programme offerings, enrolment patterns, instructional methods and balance between teaching and research generate additional costs. We estimate that providing for these alterations should amount to 0.5% of the total value of physical plant, requiring annually an additional $15 million. The estimated total requirements of $45 million can be contrasted with the about $10 million provided in 1982-83.

This analysis shows a massive gap, amounting to some $76 million in current dollars, between university capital requirements (including equipment) and the present allocations. Unlike the accumulated underfunding on the operating side, this capital shortfall over the past decade has future cost implications. The longer capital needs remain unaddressed, the greater the prospect that the cost of addressing them will increase. Clearly, a new policy on capital is required if the universities are to maintain the physical fabric necessary for continued operation at a high level of quality.

In addition to increased funding for these purposes, a new approach is also required, one that will enable universities to plan expenditures on physical plant several years in advance, and to make decisions on the basis of their own academic priorities. An approved formula for the distribution of capital funds is urgently required.

Conclusion

As Ontario moves ahead in an increasingly complex and uncertain environment, it should be clear that continued heavy investment in the education of its people provides an important key to the future well-being of the province. The universities are an essential element in securing this future. If they are to fulfil their role, they must have the requisite financial resources, Although government funding in the past two years has been somewhat more generous than in the preceding three, increases in enrolment in this period have left the universities no further ahead. They face the future in a very weakened condition, less and less able to respond effectively to new needs.

The continuing erosion of university revenues must be halted. To come effectively to grips with this situation the government should provide a clear answer to this fundamental question: What level of financial resources is to be made available to the universities to enable them to fulfil their mandates in teaching and research? The legislation before you does not address this question at all. It cannot be addressed by amending Bill 42 or by withdrawing it. Yet it remains the central issue.

If no new additional financial resources are to be made available to the universities, then let this be clearly stated and priorities altered accordingly. If sufficient financial resources are not available to maintain enrolment at current levels and provide programmes of good quality, then the existing policy on accessibility should be changed. These matters require decisions by government.

Any full discussion of university funding must necessarily be historical and retrospective. Yet we would urge the readers of this brief to shift their focus from the past to the future, from what the government has given the universities as financial suppport to what the universities, in the future, hope to give to the province. To be true to their on-going mission universities must remain at the forefront of knowledge, must be involved in the initiation and the evaluation of new technological developments. If no additional financial resources are made available to them, the universities will have to adapt to changing conditions from within existing resources. To be able to accomplish this successfully they need a stable planning horizon and a stable resource base from which to establish their own internal priorities. This implies an external framework which includes a coherent statement of objectives on the role of universities, one acceptable to government and the universities and widely understood by the public – something that is at present conspicuously lacking.

It is the role of government to establish public policy concerning the mandate of universities through the Legislature. It is the responsibility of all members of the Legislature to participate in the formulation of this policy and, once established, to satisfy themselves that the policy is adequately reflected in spending priorities. At stake is the future of Ontario as an advanced technological and humane society.

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Appendix

Since the intention of the Act is to deal with financial matters and this is the reason for appointing a supervisor, in the judgment of COU the legislation ought to specify that the powers of the supervisor are limited to financial matters. While it is sometimes difficult in practice to distinguish financial from non-financial matters, the onus should be placed on the supervisor, not on the institution, to make the case.

It is recognized that the government intends to specify further the powers of the supervisor under the Act to make it explicit that this officer shall have only those powers which the institution's act of incorporation give to the governing board and to the executive head. Therefore, the supervisor will not have any of the powers provided under the university's charter to the senate or analogous academic body. This is an important clarification and specification of the supervisor's powers under the Act, and is most welcome.

Nevertheless, the Council of Ontario Universities proposes that the Bill be amended by including an additional italicized sentence to Section 13(5) as follows:

> Where a university supervisor appointed for a university requests in writing that the governing body or the chief executive officer do any act that they have authority to do and, in the opinion of the university supervisor, they fail to do so, the university supervisor may do the act on behalf of the governing body or the chief executive officer and the act is as effective as if done by the governing body or the chief executive officer, as the case may be. *Any act done by the supervisor on behalf of the governing body or the chief executive officer shall be restricted to matters affecting the finances of the institution and shall be bound by the same constraints as govern a similar act by the governing body or chief executive officer.*

From *Universities, Public Priorities, and the Future of Ontario,* a brief from the Council of Ontario Universities to the Standing Committee on Social Development of the Legislature of Ontario, September, 1983.